

Press Release

BIFIRE: HALF-YEARLY REPORT AS OF 30 JUNE 2024 APPROVED

**REVENUES HOLD DESPITE THE SECTOR SLOWDOWN,
HELD DOWN BY HIGH INTEREST RATES AND END OF THE SUPERBONUS 110**

OPERATING PROFITABILITY IN LINE WITH THE NORMAL MARGINALITY OF THE COMPANY

PRODUCTION CAPACITY INCREASED WITH NEW PLANTS IN VAREDO AND SEREGNO

INVESTMENTS IN NEW HIGH-TECH PRODUCTS AND NEW CERTIFICATIONS CONTINUE

Main economic and financial results as of June 30, 2024:

- **Total Revenues¹: € 19.8 millions, -9,0% vs. 1° half 2023**
- **EBITDA: € 4.4 millions, -20,0% vs. 1° half 2023**
- **EBITDA Margin²: 22.3% vs. 25.2% in 1°half 2023**
- **Operating Result (EBIT): € 3.1 millions, -31% vs. 1° half 2023**
- **Net Profit: € 2.5 millions, -29,1% vs. 1° half 2023**
- **Net financial Position: cash positive for € 5.1 millions of Euro, vs. € 1.4 millions at 31 Dec. 2023**

- **Increased production capacity with the third plant in Varedo and the fourth plant in Seregno (fully green, with complete recycling of scraps)**

Desio (MB), 26 September 2024 – The Board of Directors of **BIFIRE® (EGM:FIRE)** - company specializing in the production of thermal insulation and fire protection products for construction and industry – meeting today under the chairmanship of Alberto Abbo approved the half-yearly financial report as of June 30, 2024, voluntarily subjected to limited auditing.

Alberto Abbo, CEO di Bifire, commented: “We have noticed a sharp decline in products directly linked to the Superbonus, but at the same time we have recorded with satisfaction a good growth in sales of products for construction and industry both in Italy and abroad, confirming the quality of Bifire products and their appreciation on the national and international market.

Having completed the investment cycle for the expansion of production capacity - the Varedo and Seregno plants are now operational -, Bifire growth programs continue in the research and development of new high-tech products (in particular for thermal insulation), such as AQUAFIRE®, a totally fireproof fiber-reinforced lightweight concrete slab, with the possibility of varying the dimensions tailored to the customer request and therefore also meeting the needs of the DACH markets. In line with the target of strengthening the market represented by Germany, Austria and Switzerland, last February Bifire opened a commercial branch in Munich in order to develop the activity in the area more effectively.”

¹ Total Revenues = Sales Revenue + WIP Changes + Other Revenues

² EBITDA Margin is calculated on Total Revenues

ECONOMIC AND FINANCIAL RESULTS AS OF JUNE 30, 2024

In the first half of the year, Bifire recorded a **satisfactory performance** in a very challenging market, with results that highlight the endurance of revenues despite a drop of less than 10% and of margins, which returned to a physiological level after an exceptional 2023.

The Company continues to invest in its **growth programs** both for the expansion of production capacity (third and fourth plants now operational), and for the research and development of new high-tech products (in particular for thermal insulation), so as to be able to best seize all the growth opportunities in the medium-long term deriving from the energy transition both in our Country and on foreign markets (especially DACH).

The following table summarizes the main economic and financial results of Bifire as of June 30, 2024:

€ Millions	30-June-2024	30-June-2023	% Change 2024 / 2023
Total Revenues	19,8	21,8	-9,0%
EBITDA	4,4	5,5	-20,0%
EBIT	3,1	4,5	-31,1%
Income before Taxes	3,0	4,4	-31,8%
Net Income	2,5	3,5	-29,1%
€ Million	30-June-2024	31-December-23	
Net Invested Capital	33,2	37,0	-10,3%
Net Equity	38,3	38,5	-0,5%
Net Financial Position	-5,1	-1,4	n.s.

Total Revenues (data that includes Sales Revenue and Other Revenues) amounted to € 19.8 million, down 9.0% compared to the first half of 2023, mainly due to the slowdown in the construction sector in the first half of the year, due both to the macroeconomic scenario still penalized by high interest rates, and to the cancellation of Government incentives.

It is worth highlighting the **good growth in sales of construction and industrial products** (excluding products directly linked to the Superbonus) in the first half of the year both **in Italy and abroad**, confirming the quality of Bifire products and their appreciation on the national and international market.

EBITDA stood at **€4.4 million**, down 20.0% on the first half of 2023, a figure that is mainly affected by the kick-off of the two new plants in Varedo and Seregno, of which production is in the start-up phase.

The **EBITDA Margin** (calculated on Total Revenues) is equal to **22.3%**, a physiological level widely expected and in line with the first half of 2022 and increasing compared to previous years; down compared to the exceptional figure of the first half of 2023 (25.2%).

The first half of 2024 closes with a **Net Profit of € 2.5 million**, down 28.6% compared to 30 June 2023.

Investments amount to a total of €1.5 million, mainly related to the fourth industrial plant located in Seregno (started in July), equal to 7.6% of Total Revenues.

Net Financial Position as of June 30, 2024 is positive for € 5.1 million, vs. € 1.4 million of net cash as of December 31, 2023. This strong growth is due to the decrease in exposure to customers, with a positive effect on net working capital in terms of greater liquidity generated.

EVOLUTION OF THE TARGET MARKET

After strong growth in the three-year period 2021-23, **the construction sector is experiencing a decline in 2024**, with a forecast of a 7.4% drop in construction investments at the end of the year. This result is mainly due to the lack of expansive contribution from extraordinary maintenance, which represents 40% of the market. For this sector, a trend decline of 27% is expected, bringing levels back to pre-COVID standards.

The **long-term positive trend** for Bifire products is confirmed thanks to:

- Increased **attention to the environment**, atmospheric emissions, healthiness of materials, recyclability of products.
- Need for **energy savings** to reduce Europe's dependence on external sources.
- Approval of the **European Green Houses Directive** which provides for the improvement of the energy class of buildings by 2030 and 2033.

SIGNIFICANT EVENTS IN THE FIRST HALF OF 2024

In the first half of the year, the renovation works of the **fourth plant**, located in **Seregno**, in the province of Monza Brianza, were completed, which joins those of Desio (MB), Paderno Dugnano (MI) and Varedo (MB).

In **February**, the company **Bifire Deutschland GmbH** was established in Munich as a first step towards better coverage of the DACH market.

Also in **February**, Bifire decided to continue the **television campaign on national networks**.

SIGNIFICANT EVENTS OCCURRING AFTER 30 JUNE 2024

Thanks to the start of operations of the fourth plant in Seregno, sales of **Aquafire in the DACH area** have accelerated since **September**. This is a highly innovative, totally fireproof sheet that can be modulated to the dimensions specifically requested by the customer.

The **share buy-back program** for the purpose of incentive plans continued this year. Following these operations, Bifire owns, as of September 26, 2024, a total of 59,000 shares, equal to 0.338% of the Share Capital.

FORESEEABLE MANAGEMENT EVOLUTION

Despite optimistic growth forecasts for the construction sector from 2025, **the 2024 financial year presents critical issues** related to the current continuous pressure of interest rates, the definitive end of the Superbonus 110 incentives, as well as a general global instability linked to the wars in Ukraine and the Middle East.

Interest rates are currently still high, representing a brake on the construction market in Europe. However expectations are for them to be **reduced starting from the second half of 2024**, with the relaunch of the sector, giving a boost mainly to the renovation branch and creating excellent growth prospects for Bifire products.

Also at a global level, **the cost of transport** (sea freight) has undergone a significant increase in the first months of 2024. This factor could, together with the lengthening of delivery times, trigger a series of increases in raw materials, as happened in 2022. Currently the situation seems to have undertaken a trend of calming costs, which are nevertheless still high.

On February 22, 2024, a serious fire in Valencia caused victims and the destruction of two buildings. This tragic event highlights **the importance of using fire-resistant and non-combustible materials, of which Bifire is a leader** and an important market reality. This fact, combined with past events in London and Milan, becomes the starting point for a system of new regulations and further growth of the Bifire market.

The overall business forecast for **the 2024 financial year is a year of transition** and adjustment in view of a desirable growth for 2025.

The new green perspectives, the ongoing reduction of interest rates and last but not least a greater sensitivity towards energy efficiency and fire prevention policies position Bifire in a growth and **development perspective for the coming years**.

DOCUMENTATION DEPOSIT

The half-yearly financial report as of June 30, 2024 is subject to limited auditing and will be made available within the legal deadlines at the registered office in via Lavoratori dell'Autobianchi, 1 in Desio (MB), at Borsa Italiana S.p.A. and in the "Investor Relations" section of the company website www.bifire.com, as well as on the authorized storage mechanism www.1info.it managed by Computershare S.p.A.

Bifire 2024 Half-Year Results Presentation Road Show will be held in Milan on October 21, 2024.

Bifire presentation will be made public on the morning of the event on the Company website in the *Investor Relations - Presentations* section.

The Company, pursuant to art. 17 of the Euronext Growth Milan Issuers Regulation, has updated the 2024 corporate events calendar with an indication of the date on which the event will be held and available on the Company website in the *Financial Calendar* section.

EVALUATION OF THE INDEPENDENCE OF THE INDEPENDENT DIRECTOR

During the same meeting, the Board of Directors of the Company also assessed the independence of the independent director, Domenico Paolo Zaccone, verifying, pursuant to **art. 6-bis of the Euronext Growth Milan Issuers' Regulation**, the existence of the independence requirements provided for by the Bifire articles of association, taking into account the quantitative and qualitative criteria on the basis of which to assess the significance of the relationships potentially relevant for the purposes of assessing the independence of the directors approved by the Board of Directors on 26 March 2024 and published on the Company website, as well as on the basis of the declaration made by the same director and the information available to the Company.

This press release is available in the *Investor Relations* section of the website www.bifire.it, as well as on the authorized storage mechanism www.1info.it managed by Computershare S.p.A..

About Bifire

BIFIRE® is a company active in the production of materials for fire protection and thermal insulation in the construction and industrial sectors. Bifire materials are mostly used in the field of building renovations, in particular on the market for renovations carried out with so-called "dry" techniques. The spread of dry construction techniques has made it possible to reduce construction times and costs without this leading to a loss of performance. In fact, with dry construction techniques it is possible to accurately predict the times and phases of work, limiting to a minimum the downtime in construction, which inevitably causes an increase in construction costs. In addition, dry systems are more eco-sustainable, as the elements, thanks also to the ease of assembly-disassembly, can be recycled, replaced (in the case of degraded elements) or reused, making any future decommissioning less impactful. This type of technology makes it possible to design and build parts of the building in places other than the one where the artifact will be built. It is therefore possible to carry out the final assembly phase on site, which will then take place in short and controlled times.

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ATTACHMENTS

Condensed half-yearly report as of 30 June 2024

Profit and Loss Account

Eur 000	30-June-24		30-June-23	
Revenues from sales	18,436		20,395	
Other revenues	1,406		1,406	
TOTAL REVENUES	19,842	100.00%	21,801	100.00%
Purchases of raw materials	-5,849	-29.48%	-7,529	-34.54%
Costs for services	-6,423	-32.37%	-6,090	-27.93%
Costs for use of third party assets	-574	-2.89%	-475	-2.18%
Various management charges	-48	-0.24%	-95	-0.44%
VALUE ADDED	6,948	35.02%	7,612	34.92%
Taxes and payroll costs	-2,525	-12.73%	-2,117	-9.71%
EBITDA	4,423	22.29%	5,495	25.21%
Depreciation and impairment losses	-1,233	-6.21%	-968	-4.44%
Other provisions	-45	-0.23%	0	-
OPERATING RESULT (EBIT)	3,145	15.85%	4,527	20.77%
Financial Income and Expenses	-100	-0.50%	-76	-0.35%
PROFIT BEFORE TAXES	3,045	15.35%	4,451	20.42%
Income taxes	-572	-2.88%	-961	-4.41%
NET PROFIT	2,473	12.46%	3,490	16.01%

Condensed half-yearly report as of 30 June 2024
Balance Sheet

Eur 000	30-June-24	31-December-23
A) NET NON CURRENT ASSETS	24,044	24,082
Intangible fixed assets	1,297	1,251
Tangible fixed assets	21,209	20,981
Financial fixed assets	1,538	1,850
B) NET WORKING CAPITAL	9,966	13,717
Inventory stock	6,149	5,230
Receivables	11,579	17,331
Other receivables	310	304
Payables	-5,596	-7,258
Other payables	-2,842	-1,953
Provisions for risks and charges	-175	-150
Others	541	212
C) GROSS WORKING CAPITAL	34,010	37,799
D) SEVERANCE PAY	-827	-750
E) NET INTERESTED CAPITAL	33,183	37,049
Covered by		
F) EQUITY	38,284	38,506
G) NET FINANCIAL POSITION	-5,101	-1,457
Medium and long-term debts	4,202	4,590
Short-term debts	1,507	1,505
Cash funds	-10,810	-7,552
H) TOTAL COVERAGE	33,183	37,049

Condensed half-yearly report as of 30 June 2024

Cash Flow Statement

Eur 000	30-June-24	31-December-23
Net profit	2,473	7,784
Tax effect	572	2,555
Passive interest	98	196
Plus/Minus asset alienation	0	2
Impairment losses	135	199
Depreciation	1,203	2,064
Others	75	229
Cash flow	4,555	13,028
Working capital changes		
Inventory stock	-938	2,263
Receivables	5,752	-6,323
Active Accruals and Deferrals	-329	-87
Passive Accruals and Deferrals	0	0
Payables	-1,661	-208
Other changes in net working capital	-583	-1,211
others	-141	-1,771
Total working capital charges	2,099	-7,337
Free cash flow	6,654	5,691
Net Investments	-1,477	-5,456
Changes in other fixed assets	-25	0
Financial value adjustments	0	0
Investments cash flow	-1,502	-5,456
Increase (decrease) in bank debts	38	291
New financing	0	2,000
Loan repayments	-706	-1,190
Increase (decrease) in Equity	0	0
Transfer/(Purchase) of treasury shares	-740	-546
Dividends	-486	0
Cash flow from financial activities	-1,894	554
Net Cash flow	3,258	790
Cash founds at the beginning of the period	7,552	6,762
Cash founds at the end of the period	10,810	7,552
Net cash founds increase (decrease)	3,258	790